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INFO RUCNCLS/ALL SOUTH AND CENTRAL ASIA COLLECTIVE  
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RUEHNR/AMEMBASSY NAIROBI 0199  
RUEHOT/AMEMBASSY OTTAWA 0751  
RUEHFR/AMEMBASSY PARIS 1304  
RUEAIIA/CIA WASHDC  
RHEBAAA/DEPT OF ENERGY WASHINGTON DC  
RUEKJCS/JOINT STAFF WASHDC  
RHEHNSC/NSC WASHDC  
RUEKJCS/SECDEF WASHDC  
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C O N F I D E N T I A L SECTION 01 OF 02 NEW DELHI 002816

SIPDIS

E.O. 12958: DECL: 10/30/2018

TAGS: PREL PARM TSPL KNNP ETTC ENRG TRGY IN  
SUBJECT: MENON ADDRESSES CIVIL NUCLEAR NEXT STEPS AND OTHER  
BILATERAL ISSUES WITH AMBASSADOR

REF: A. SECSTATE 102911  
¶B. SECSTATE 108855

Classified By: Ambassador David Mulford for Reasons 1.4 (B and D)

¶11. (C) This is an action request. See paragraph 7.

¶12. (C) SUMMARY. Ambassador Mulford discussed next steps on civil nuclear cooperation and a range of bilateral issues with Foreign Secretary Shivshankar Menon on October 30. Menon said he was prepared to review draft diplomatic notes to bring the 123 Agreement into force as soon as we had a draft to share. In preparing to sign its IAEA Safeguards Agreement, India is consulting with the IAEA about how the annex to the Agreement can reflect its intention to bring facilities under safeguards in a phased manner. The Convention on Supplementary Compensation for Nuclear Damages (CSC) remains under review by the Law Ministry; it then requires approval by the Cabinet and Parliament. Menon did not speculate on whether all this could take place prior to elections next year.

¶13. (C) SUMMARY CONTINUED. Menon said the Indian Government would be pleased to receive a delegation on November 6-7 to negotiate an agreement on End Use Monitoring (EUM) -- and possibly discuss Enhanced EUM as well -- but added that he would like to first receive a response to the latest exchange of language to be sure it will be a productive meeting. Menon said he would look into our request for Indian anti-piracy escorts for ships transporting World Food Program (WFP) assistance to Somalia and confirmed that India is planning unspecified financial and in-kind support for Afghanistan's 2009 presidential elections. The continuing delay in issuing visas for Indian diplomatic personnel was "creating resentment," according to Menon. Joint Secretary (Americas) Gaitri Kumar will meet the Deputy Chief of Mission on October 31 to seek a solution. END SUMMARY.

Next Steps on Civil Nuclear Cooperation

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¶14. (C) Ambassador Mulford raised several issues with Foreign Secretary Shivshankar Menon on October 30 to clarify the Indian Government's thinking on next steps toward implementing civil nuclear cooperation following the signing of the 123 Agreement on October 11. Menon agreed that our governments should review draft diplomatic notes and said he was prepared to do so as soon as we had a draft to share. On

signing India's IAEA Safeguards Agreement, he said his government "was doing its homework" about how prior agreements with the Canadians and others would be dealt with under the new safeguards regime. He said India would populate the Agreement annex with the initial group of safeguarded facilities, but cautioned that "it won't be all of them right away." India is consulting with the IAEA about how India's facilities can be brought under IAEA safeguards in a phased manner, as indicated in India's Separation Plan. As an aside, he asked about U.S. views on the scope of the Nuclear Suppliers Group (NSG) "grandfather" clause related to China's provision of nuclear reactors to Pakistan at Chashma, specifically, whether it would apply to a third or fourth reactor there.

¶5. (C) Menon said the Convention on Supplementary Compensation for Nuclear Damages (CSC) was under review by the Law Ministry, which must certify that the requirements of the CSC are consistent with Indian domestic law. He explained that once that process is complete, the Cabinet would have to vote to submit the package of implementing legislation required by the CSC to the Parliament, which would then have to enact the package. Menon turned to Joint Secretary (Americas) Gaitri Kumar to confirm that the CSC had not yet emerged from the Law Ministry. When pressed about the timeline, Menon said Parliament is scheduled to reconvene on December 10 and that the Indian equivalent of a continuing resolution will have to be passed before March 31, but he did not go so far as to speculate on whether the CSC could be ratified under the current Parliament.

NEW DELHI 00002816 002 OF 002

¶6. (C) Menon described the December visit of Nuclear Regulatory Commission (NRC) Chairman Dale Klein as "a big visit" for India, saying he hoped it would "get out in the media" as early evidence of tangible civil nuclear cooperation following the 123 Agreement.

End Use Monitoring  
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¶7. (C) Responding to the U.S. proposal, Menon said the Indian Government would be pleased to receive a delegation to negotiate an agreement on End Use Monitoring (EUM) on November 6-7, but he added that he and the Defense Secretary would like to first receive a response to the most recent version of the language proposed by the GOI or at least "an indication of your thinking" to be sure it will be a productive meeting. Menon said the GOI is "quite happy" to discuss Enhanced End Use Monitoring (EEUM) as well, but did not want to overload the agenda. He said "we realize we have to do both EUM and EEUM to make it meaningful." He agreed with the Ambassador's proposal that if the negotiators resolve EUM relatively quickly during the visit they can then proceed directly to address EEUM as well. ACTION REQUEST: Embassy requests Department guidance overnight in response to Menon's request for our reaction to the most recent version of language proposed by the GOI.

Other Issues: WFP Escorts, Afghan Elections, USEFI  
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¶8. (C) Ambassador Mulford requested Indian anti-piracy escorts for ships transporting World Food Program (WFP) assistance to Somalia (ref A). J/S Kumar said the issue is with the Ministry of External Affairs' United Nations Division. Menon said he would look into it. Ambassador Mulford inquired about India's planned support for Afghanistan's 2009 presidential elections (ref B). Menon said the GOI was planning a contribution to include some financial support, but also said that some assistance would be in kind. Menon confirmed that he plans to attend the first meeting of the new board of the U.S.-India Education Foundation on November 13 unless he has to travel to Washington.

Reciprocal Frustrations Over Official Visas

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¶ 9. (C) Menon said the continuing delay in issuing visas for Indian diplomatic personnel was "creating resentment," adding that the GOI continued to issue visas to U.S. "replacement" officials. Ambassador Mulford said that as to the "creation of resentment," the situation is the same with our people waiting in the U.S. To them and their departments the distinction between replacement and new officials is irrelevant. The two sides should simply get on with issuing the visas each says it requires. Ambassador Mulford emphasized that the delay was preventing, for instance, a Regional Security Officer from taking up his post in Kolkata even as a bombing resulting in multiple fatalities took place in Assam. Gaitri Kumar said she plans to meet the Deputy Chief of Mission on October 31 to seek a solution.

MULFORD